



*J. J. L.*  
*H. H.*

THE SYNDICATE!



Can.  
Am.

*Daluaine, second.*

T.

# THE SYNDICATE!

---

WHAT IS IT?

---

"A Story for Young Canadians"

BY DALUAINÉ.

---

The idea of writing this little sketch was suggested to the writer by hearing in course of ordinary conversation, even by those who might have been supposed to know better, the oft-repeated question, "What is this Syndicate? and what does it all mean?"

I am not writing this for the enlightened inhabitants of the Capital of this Dominion, who know everything connected with the Government or politics, or who think they do so, which amounts to the same thing; neither am I writing for those whose means enable them, and who have leisure to read and understand the very lengthy and elaborate speeches of our wise legislators; elaborate certainly, some of them, so far as figures are concerned, —and for the generality of people not versed in such things, very difficult to follow up or understand; I am addressing myself to the young and rising generation, who may be, and I hope are, patriotic enough to take an interest in all that concerns the welfare, progress and future development of this beautiful country, destined at no distant future, if her sons and daughters are only true to themselves, to become one of the brightest and fairest kingdoms of the earth.

The building up of a nation does not depend on the legislators thereof. These gentlemen make our laws, and according to their ideas of good or evil, try to keep us in the "straight path;" but the building up of a nation is the work of every man and woman; no one is so small, no occupation so humble, but may assist in this great work; and I think if Canadians would only begin to study this a little more and be less partizan in their politics, incalculable good to our common country would come of it. In making this little diversion, by way of introduction, I do so that

my readers may the better understand the few remarks I am going to make on the all-absorbing question of the hour. Every one who reads at all, and who in Canada does not read the newspapers? at all events hear of the "Great North West," that immense country that to this day, for all the millions spent in exploring it, remains, you may say as far as practical knowledge is concerned, *unknown*. Our legislators and politicians talk to us by the hour of the vast fertility, the boundless wealth in this far-off, unknown land. Now my friends, if these gentlemen were only sent out to explore and till this very fertile land a few months before making these grand speeches, their enthusiasm would be somewhat damped; not that I disbelieve the land is fertile and will be productive, but what of the hard labor, the privations of the first pioneers, the sweat of our brothers and sons, the self-denial and hard labor of our wives and sisters, before the glowing picture drawn by our wise and able legislators, drawn by them in their comfortable seats and warm rooms, becomes an "accomplished fact." I ask any intelligent farmer if his crops grow by looking at the land, or his cattle fatten spontaneously by looking at the scenery. The "great North West" my friends, will I am sure become a great country, but it will be after years of labor and many dollars are spent on it. Now till we find this labor and those dollars, the great North West is to you and I, and every son of Canada, as if it were not; unless indeed we except the cost it is to this poor country to support and pay for what is called the "North West Mounted Police," a force, if reports speak truly, which will soon require *another force to look after them*. It costs money now, and brings no revenue. What we want in the first place is population to fill up and till the soil. To transport people in such numbers as would even in our generation give us a beginning of a country out there you must find the means of bringing them to the land; by this I do not mean a population of the poor from the crowded cities of Europe. To make the country anything like the Parliamentary picture, you must have at least a fair proportion of men with means and experience. Neither our present government system of emigration, nor all the fine speeches will ever induce British agriculturalists who have money or brains to use it, to come to the North West as matters are at present. In saying this I am speaking *from practical knowledge*. Now to bring the matter down to a fine point, I may quote a very familiar illustra-

tion from an old Scotch receipt for making hare soup, by that queen of cooks in her own country and generation "Meg Dodds." The receipt commences by telling you—"first catch the hare." Now we must first catch the emigrant, and then we must bring him to the land; to do this we must build a road, and it is out of fashion now to use any other road than a railroad. Now my friends for the last ten years almost our clever and wise legislators of both sides of politics have been trying to catch this hare, and have, I am sorry to think, made a very poor show—to quote a much used phrase in this country; I would apologize for using it, as it sounds somewhat slangy, were I writing for the great and the learned; as I am not my readers will understand and excuse this and any other word I may introduce if more expressive than elegant.

I do not think our legislators are altogether to blame for the failure, of either building a railroad to the North West, or inducing the proper class of emigrants to come here; for no one except those who have had the experience knows "how hard a thing it is to be a government," beset on all hands by hungry, and in many cases by unscrupulous supporters who insist on, in the most cases, the very man being employed at what he is perfectly unfitted for and most incapable of. The consequence is after nearly ten years time, and two Governments trying their hand at the business, altho' the pot is ready, there is no hare to put into it, nor so far the means of catching it. And if things were left as they are in the hands of the Government and political engineers, the chances are that in ten years more we would have expended in useless surveys and expensive railroad making, a great deal more money than is being given to the so-called Syndicate for building the whole road. This word Syndicate, is what might be called a high-toned way 'of spelling *Company*, and to the common sense practical public, *Company* would be more natural and better understood. I need only refer my readers to some of the wonderful speeches recently made against this new arrangement, for the immense amount of money it is going to cost, &c. Now having read the terms of the agreement, we know *at once and forever all it is to cost*. We hear any amount of talk from the gentlemen in opposition to the scheme, about the fine bargain the Syndicate have made for themselves and their heirs; for you must bear in mind that before this reputed fine bargain becomes

the paying concern it is said to be, a generation will have passed away, and in all human probability few if any of those now forming the Syndicate will live to reap in their own persons the benefit of the risk. Not that I do not wish, and hope they may, as they certainly deserve to do, but they will be very different engineers, contractors or emigration agents than we have hitherto had, if their *great grand children* are to derive any benefit from the speculation. But there is to me another important point, I don't see touched upon in any of the speeches made, and that is the fact that this is, as soon as it becomes law is an incorporated company, who will immediately issue their bonds, and any man or woman in Canada who has a little money to spare, and faith in their country, can, and I hope will, become *members of the Syndicate*. These gentlemen now forming the Company, are entering on the scheme on purely commercial principles, and their past lives and high character for careful and successful speculations, is a guarantee to any one choosing to invest their savings in Pacific Railway stock, that the thing will be conducted on undoubted commercial principles, and that the smallest shareholder, as well as the greatest, will be sure of his or her dividend on the profits of the Company. So that our friends composing "Her Majesty's loyal Opposition," will have the chance, by-and-by, of being at least part of the Syndicate themselves, and reaping the benefit of this, what they termed, great monopoly.

Another thing we hear about is the fear the Syndicate will make an inferior road, and that the Union Pacific is not a proper standard, &c. Now, I am not an engineer, consequently not qualified to enter on that professional question, which even if I did, possibly, a great number of my readers would not understand. But this much I do know; it would not pay the company to make a bad road, smash an engine or two every other week, kill some and injure others. Only a Government can afford to do that. When the Syndicate makes the railroad it will be well made and substantial, for their own sakes. It may not have carved stone on the culverts as some Government Railways in this country have, that cost you and I and every tax-payer extra money and added nothing to the durability or utility of the road. But it will be well made and safe to run over, and the very fact that it is to remain the property of the Syndicate for all time guarantees this. Had it been as the opposers of the scheme suggest to revert

to the Government or the Country at some future fixed date, then there would have been danger of an inferior road being built ; the Syndicate would very naturally have said, what is the use of our building a good bridge or a safe culvert, a cheaper one will last our time, let the Government, when they get the road, build better bridges, &c. I think that one of the wisest parts of the bargain is giving it to the Syndicate in fee simple. Now, we are sure that the road will be built, and also it will be a good and substantial one when built. It will be well equipped, well managed afterwards, and the managers and superintendents under the Syndicate will be capable of doing their work, and not live a couple of thousand miles away from the scene of their duty, as some do at present. The Syndicate will not ask or expect any man to do the work an angel would shrink from undertaking.

Should any of my readers have time and money to spare, and want to see the difference of a railroad run and owned by a Syndicate, and one we are said to own, (that is the people of Canada) run by the Government, let him take a trip over the St. Paul and Minneapolis Railroad, and then prolong their journey over *our* Railroad, the Pembina Branch, pass Winnipeg, on to Rat Portage, and return, and if by the time they get back they don't vote for the Syndicate, on even better terms, we will give up the contest. Only, they must not take the trip in the company of a Cabinet Minister or in the wake of a High Government Official,—they are more precious than ordinary men who only pay their fare,—the former has to be flattered and feted, the latter feared and conciliated for the power temporarily placed in his hands. It is a very easy question in Simple Proportion: if the Government management as at present practised on the 130 miles is such as it is, what would it be on two thousand ? not to speak of the political engine it would be in all time to whatever Government was in power, used for every partizan and political purpose, a sort of refuge for every incapable having political influence, a mockery and a shame as far as commerce or the good of the country was concerned.

Another important point to the Syndicate, at least, never seems touched upon in any of the speeches I have read, possibly because not much known to the speakers, and that is that a great proportion of this fine fertile "North West" is a series of lakelets, and that what is and will be the the best land is totally useless for settlement until an expensive system of drainage is

effected on a large scale. Most of our travellers, such as Capt. Butler and some others who really saw the North West, went over the ground in winter, I think if recent surveyors will tell the truth they found more water than land in what is supposed to be the track of the railroad. Before the Syndicate can sell these lands they must drain them, and in draining their own portion they will at least drain *ours*. I say ours, as the opposition to the Syndicate always talk of "the people," and their very disinterested love for you and I. We must give them due credit and call all that remains of the land ours. Before the Syndicate can sell their own portion of the land they must be at great expense, more than those not practically acquainted with these matters have any idea of. Then, when they do this, and bring people of means into the country, every man, woman and child they bring in benefits you and I and every man in Canada, indirectly. They may till the soil to begin with, but they must for many years to come purchase largely of our manufactures, must eat our sugar, (think of that my friends in Quebec,) wear our cotton and woollen goods, use our iron and wood, both manufactured and sawn, for the great North West is not great in timber. In fact the Syndicate cannot earn one dollar for themselves without benefitting us Canadians indirectly other two. The labor they will require will be an outlet for our surplus sons, who most naturally will call some of our daughters after them, and prevent our young men and young women from seeking a home across the border, for it is a sad but stubborn fact notwithstanding the laudable efforts the Government have made, we have deported of late years nearly as many as we have imported. Now the Syndicate will stop all this. We will have a home market for our surplus population, and our manufacturers will then have increased sale for everything they can make; this will give work here and circulate money; for it is not so much the direct as the indirect advantages that benefit a country.

That there may be weak points in the Syndicate bargain possibly no one will deny, but it would have been hard to have framed a measure which would have pleased every one, and at the same time be such as cautious business men would risk to undertake. We are told a great deal by the opponents of the Syndicate about the excellence of the scheme proposed by the late administration, but it was so excellent that no one would look at it. We want the road built and the country peopled; this the Syndicate

will do, and if this is done and a stop put to the disgraceful traffic in Government contracting which recent investigations have partially laid bare, for I am afraid but a very small part of the truth was told, and if the Canadian people knew the whole truth and the whole cost to this poor country they would think the Syndicate even at harder terms a good bargain. What with unscrupulous contractors, contract broking, not to speak of the new moral code being introduced to ruin the last spark of honesty left in our young Canadian minds, I mean this doctrine of "Mental Reservation" when a man is on oath. Why, if the Syndicate did nothing else than remove the occasion of such a foul doctrine taking root in our midst it would be worth paying a price for.

We have heard a great deal about the adoption by the Syndicate of the standard of the Union Pacific. From all we know unless the Syndicate build a mountain on purpose it will be difficult for them to give us bad grades.

I am going to finish these few remarks made outside the beaten political track by giving my friends the history of the building of what I think may be called the "first Pacific Railway." It will better illustrate to them what a Syndicate really means, although I think these men were satisfied to call themselves a company. It will show our young men better than twenty political speeches what a *few honest men*, who believed in each other and their country, could do, did and still continue to do, for they yet own the railway and their heirs will continue to do so for all time. The United States contains some smart men, and good politicians, but they never attempted to build or run a Government railroad, they allow Syndicates to do this, consequently attract twenty emigrants for our one, and keep them too.



# THE STORY

OF THE BUILDING OF THE

## CENTRAL PACIFIC RAILROAD.

---

The tourist enters California by one of the most notable and remarkable objects it contains, I mean the Central Pacific Railroad. All the world has heard of the great Mount Cenis Tunnel, and travellers tell us continually of sights and public works in Europe ; but if the Americans were not the most modest people in the world, they would, before this, have much more famous than any European public work, the magnificent and daring piece of engineering by whose help you roll speedily and luxuriously across the Sierra Nevada from Ogden to San Francisco. But we Americans have too much to do to spend our time in boasting. We have accomplished some great things, we turn to something greater, if it is at hand. And it is a curious commentary upon this characteristic that the man whose daring, determination, resistless energy and clear pre-vision, did more than anything else to build this great road—I mean C. P. Huntington,—has already turned away to another enterprise in parts almost equally difficult—the Chesapeake and Ohio Railroad.

The story of the building of the Central Pacific Railroad is one of the most remarkable examples of the dauntless spirit of American enterprise. The men who built it were merchants who probably knew no more about building railroads when they had passed middle age and attained a respectable competence by trade, than a Cohrea Pike knows about Greek. Huntington and Hopkins were and are hardware merchants ; Stanford was at one time a wholesale dealer in groceries, though later on Governor of the State ; the two Crockers were dry goods men. These five, all or past middle age, all living in Sacramento, then an insignificant town in the interior of California, believing in each other, believing that the railroad must be built, and finding no one else to undertake it, put their hands and heads and their means to the great work, and carried it through.

Every one knows what is the common fate in this country of railroad projections. A few sanguine and public spirited men procure a charter, make up a company, subscribe for the stock, drag all their friends in, get the preliminary surveys made, begin the work, and then break down: and two or three capitalists who have been quietly waiting for this foreseen conclusion, foreseen by them, I mean, buy the valuable wreck for a song, and build, and run, and own the road. This is a business in itself. Dozens of men have millions apiece by this process, which is perfectly legitimate, for the French say in order to succeed you must be successful, or as we say in this country, to the victors belong the spoils.

Now the projectors of the Central Pacific Railroad completed it and to-day control and manage it. They did not let it slip out of their fingers; and, what is more, being only merchants, totally inexperienced in railroad building and railroad managing, they did their work so well that, in the opinion of the best engineers, their road is to-day one of the most thoroughly built and equipped and best managed in the United States. Their bonds sell in Europe but little, if any, below United States Government bonds, and their credit, as a company, in London, Frankfort, Paris, is as high as that of the Government itself.

Moreover, you are to remember that these five Sacramento merchants who undertook to build a railroad right through eight hundred miles of an almost uninhabited country, over mountains and across an alkali desert, were totally unknown to the great money world; that their project was pronounced impracticable by engineers of reputation, testifying before legislative committees; that it was opposed and ridiculed at every step by the monied men of San Francisco, and even in their own neighbourhood they were thought sure to fail; and the "Dutch Flat Swindle," as their project was called, was caricatured, written down in pamphlets, abused in newspapers, spoken against by politicians, denounced by capitalists, and for a long time held in such ill repute that it was more than a banker's character was worth for prudence to connect himself with it, even by subscribing to its stock. How much of this could be applied to the proposed Syndicate and its terms!

Nor was this all. Not only had credit to be created for the enterprise against all these difficulties, but when money was

raised, the material for the road, the iron, the spikes, the tools to dig, the powder to blast, the locomotives, the cars, the machinery, everything, had to be shipped from New York around Cape Horn. Not a foot of iron was laid on the road, in all the eight hundred miles to Ogden, not a spike was driven, not a dirt car was moved, nor a powder blast set off, that was not first brought around Cape Horn; and at every step of its progress the work depended upon the promptness with which all this material was shipped for a sea voyage of thousands of miles around Cape Horn.

Men, too, as well as material had to be obtained from a great distance. California thinly populated, with wages very high at that time, could not supply the force needed. Labourers were obtained from New York, from the lower country, and finally ten thousand Chinese were brought over the Pacific Ocean, and their patient toil completed the work.

When you get to Sacramento, if you have a quarter of an hour to spare, ask some one to show you No. 54 K street. It is not far from the railroad depot, and it is the place where the Central Pacific Railroad was nursed, and from which it grew. You will see over the plain frame store a weather-beaten old sign "Huntington and Hopkins," and if you walk in you will find a tolerably complete assortment of hardware. Here C. P. Huntington and Mark Hopkins, the first from Connecticut, the last from the hill country of Massachusetts, gathered by diligence, shrewdness, and honest dealing a respectable fortune. They were so cautious they never owned a dollar of stock in a mine, never had a branch house, never sent out a "drummer" to get business, never sued a man for debt. It is still related in Sacramento that the cardinal rule of the firm was to ask a high price for everything, but to sell only a good article, the best in the market.

In fact Huntington and Hopkins were merchants, and nothing else in business. They sold hardware. But in politics they were free soilers and later Republicans, and *they did not sell their principles.*

Sitting around the stove on dull winter evenings in the store at 54 K street the two hardware merchants, and their Republican allies, Stanford and the Crocker, when politics flagged are said to have returned again and again to the project of a Pacific Railroad. The desire for a road was in everybody's mind in Cali-

fornia. The question entered so fully into politics that no man for years could hope to be chosen for an office by either party unless he was believed to be a zealous friend of the railroad.

Finally there came to build the Little Sacramento Valley Railroad, one Judah, an engineer, who, many people thought was Pacific Railroad crazy. He begged some money amongst the most sanguine railroad men, and made a reconnoissance of two or three gaps in the Sierra. After some time, he proclaimed that he had discovered what everybody wished for, a possible passage for a railroad. By way of Dutch Flat, he asserted, there was a long easy ascent, practicable for a road. Judah, sanguine and restless, personally solicited subscriptions from the people of Dutch Flat, Auburn, Grass Valley and Sacramento, to help him to make a more thorough exploration. Public meetings were held, and men gave according to their means, ten, fifty, one hundred dollars, for this object. A law of the state, which made every stock holder liable individually for the debts of a company, made people cautious about subscribing to new projects, and Judah got his support chiefly in gifts; and among his leading supporters in this way were the five merchants that I have named.

About this time came the rumble of war, and the San Francisco capitalists, mostly at that time Southern men, would not have anything more to do with the scheme; and once more it seemed to be crushed.

Working under the state laws, which provided that before a company could have a charter \$1,000 must be paid in for every mile of its proposed road, it was not easy to raise the capital, about \$135,000, needed to obtain a charter, and yet affairs had now come to such a pass that it was no longer worth while, or even possible, to go on without organization. Sacramento was canvassed, but with too little success; San Francisco had buttoned up its pockets; and at last, Huntington, who had refused to give any more money for mere reconnoissances, proposed to half a dozen others to undertake the enterprise among themselves of making a regular and careful survey. "I'll be one of ten, or one of eight, to bear the whole expense, if Hopkins will consent," he said at a meeting called at Governor Stanford's house, and thus the great work was at last begun, seven men binding themselves in a compact for three years to pay all needful expenses

of a thorough survey out of their own pockets. Of these seven, one, Judah, had no means, and shortly afterwards died, and another person dropped out. There were a few outside subscriptions; but it is curious to remember that when a prominent banker friendly to the project, and having faith in it, was asked to take some stock, he declined on the plea the credit of his bank would suffer if he were known to be connected with so wild a scheme.

This was in 1860, twenty years ago.

The Central Pacific Railroad Company was thus at last organized, with Leland Stanford, as President. C. P. Huntington, as Vice-president, and Mark Hopkins as Secretary and Treasurer.

Affairs now began to look, to the prudent hardware dealers at No. 54 K street, as though they were likely to have more railroad presently than would be good for the hardware business. While the explorations and surveys were going on in the winter of 1860-61, and while a Pacific Railroad Bill was getting drawn in Congress, business details began to be examined, and at 54 K street they asked themselves why it was that so few railroads in this country had been successful in first hands. The answer was that they were not prudently and economically managed in the beginning, and second, that American railroads are built largely on credit; thus it almost always happens that the interest account begins to run before the road can earn money; and to pay interest when no business is done would ruin almost any undertaking, even the hardware business, thought these shrewd merchants.

As to the first fault, the engineer had designed what to his professional eye, seemed a proper building for the Sacramento business. It was large, elaborate, complete, and would have cost \$12,000. Huntington approved of the plan, which he said was admirable for by-and-by. "For the present," said he, "we are not doing much business, and *this* would do better;" and with a piece of chalk he drew the outline on one of the iron doors of 54 K street of such a board structure as he thought sufficient. The four sides were nailed together in an afternoon, it was roofed the next day; it cost \$150; and when it grew too small for its original uses, it was removed and used as a paint shop. There was no nonsense or flummery about 54 K street. And, I may add, the same spirit still prevails there. As to the second point, Huntington was, after consultation, sent to Washington, strictly enjoined to see that in the Pacific Railroad Bill it should be pro-

vided that the Company should pay no interest on the bonds it received of the Government for at least ten years; and if this condition was refused, to abandon the whole affair, and sell the wreck for what it would bring.

Another and more notable thing these five men did. When they sent Huntington to Washington, they gave him power of attorney authorizing him to do for them and in their name any thing whatever, to buy, sell, bargain, convey, borrow or lend, without any *if or but*, let or hindrance whatever, except that he should fare alike with them in all that concerned their great project. It is not often that five middle-aged business men are found to place such entire confidence in each other as this; but it was vital to their success that they should feel and act just thus.

At last Huntington telegraphed from Washington: "The bill has passed, and we have drawn the elephant." Thereupon the company accepted the conditions, and opened books for stock subscriptions to the amount of eight and a half millions to carry the road to the State line. The beginning was not hopeful. The rich men of San Francisco did not subscribe a cent. One man in Nevada took one share. Others elsewhere took five one-hundred dollar shares more. Six hundred dollars were subscribed at the first rush to build the Central Pacific Railroad! Later, mechanics, working-women, and others in Sacramento and other small towns, homesick people who wanted to go back to the Atlantic States without the perils of the sea, it was said, took up one hundred and fifty shares more. It was a long time before a million and a half of stock was taken.

Meantime in the summer of 1861 a considerable traffic had sprung up between Nevada and Sacramento. This was done over the Placerville Turnpike, and Mark Hopkins took pains to ascertain the amount and value of this commerce, which the Pacific Railroad would do, of course, as soon as it was sufficiently completed. He caused the number of teams, on the turnpike and the number of passengers to be counted; and this gave a certain promise of local business. Next it was necessary to cause well known bankers to certify to the world the good standing and pecuniary responsibility of the principal subscribers to the stock. The Californian Legislature then merged the State charter into the Federal charter; all the statutes of the State bearing upon the Company were gathered together; and thus armed with facts and credentials,

Huntington went to New York to raise a great many millions of dollars.

He was promptly told by the capitalists that the bonds of the company had no value in their eyes until some part of the road had been built. The Government bonds, of course, were not to be given until a certain part of the road was completed. The stock subscriptions came in too slowly for practical purposes. Huntington, courageous, full of resources, and of faith in what he had undertaken to do, announced that he would not sell his bonds except for money, and that he would not sell any unless a million and a half were taken; and finally, when that amount was bid for, he called all the bidders together, explained in detail the full importance and value of the enterprise, and thereupon the bonds were taken, on condition that Huntington and his four partners, Hopkins, Stanford, and the two Crokers, should make themselves personally responsible for the money received, until the bonds could be exchanged for Government bonds. Huntington did not hesitate a moment to pledge his own moderate fortune and those of his associates to this effect. These bonds built thirty-one miles of the road, the easiest part of it fortunately.

And now came the severest test of the courage and endurance of the men at 54 K street. Eleven months passed over before they could get the Government bonds for the completed and accepted portion of the line; these bonds in the mean time had gone down from one and a half per cent. premium in gold, where they had stood when the charter was accepted, to thirty-nine cents for the dollar. Railroad iron in the same period went up from \$50 to \$135 per ton. All other material, locomotives, &c., rose in proportion; insurance increased for the eight or nine months' voyage around Cape Horn, which every pound of the material of the road-bed and running stock had to make, rose from two and a half per cent. to ten per cent.; freights from \$18 to \$45 per ton.

Intent on keeping down their interest account, the five men at 54 K street asked the State to pay for twenty years the interest on a million and a half of bonds, in exchange for which they gave a valuable granite quarry, guaranteed free transportation of all stone from it for the public buildings of the State, and also free transportation over their line of all State troops, criminals, lunatics and paupers. This was done. Then Sacramento and some of the

counties were asked to exchange their bonds for the stock of the company, and this was done by a popular vote. Meantime the money was used up. The business was from the first kept rigidly under control; every contract was made terminable at the option of the Company; every hand employed was paid off monthly; and in reading over some old contracts I came upon a clause specially obliging the contractor to keep liquor out of the camps. When Huntington, after long and trying labors in New York, returned to Sacramento, he found the treasure chest so low that it was advisable to diminish the labouring force, or at once raise more means. "Huntington and Hopkins," said he, "can out of their own means, pay 500 men during a year; how many can each of you keep on the line?" The five men agreed in counsel at 54 K street that out of their own private fortunes they would maintain and pay 800 men during a year on the road.

This resolution ended their troubles. Before the year was over they had received their Government bonds. They still had the worst and most costly part of the line to build; they still had to transport all their material around Cape Horn; they had many trials, difficulties, and obstacles before them, for nearly four years were consumed in crossing the Sierra; they had to encounter law suits, opposition, ridicule, evil prophesies, losses; had to organize a vast laboring force, drill long tunnels, shovel away one spring over sixty feet of snow over seven miles of the line, merely to get at the road bed; had to set up saw mills by the dozen to saw ties; haul half a dozen locomotives and twenty tons of iron twenty-six miles over the mountains by ox teams; haul water forty and wood fifty miles for construction trains on the alkali plains; but it seems to me that this brave resolution was the turning point in their enterprise.

Surely there is something admirable in the courage of five country merchants, ignorant of railroad building, and unknown to the world, assuming such a load as the support of eight (8) hundred men for a year out of their own pockets, for an enterprise in the success of which, in their hands, very few of their own friends believed.

The secret of their success was that these five country merchants meant in good faith to build a railroad. They did not expect to get money out of an enterprise before they had put money of their own into it. They managed all the details as



carefully and prudently as they were accustomed to manage the hardware or dry goods business. *They were honest men.* When Huntington began to buy iron and machinery in New York, people flocked to him to sell, and there is a story of some one who came with an offer of a handsome commission to Huntington if he would deal with him. "I want all the commissions I can get," was the reply; "*but I want them put in the bill.* This road has got to be built without any stealings."\*

Don't keep a man at work whom you can't pay regularly at the end of the month: we won't stop work if we can pay only one man, we will employ only one man," was their rule. Therefore every contract was made terminable at the will of the Company. In New York, where the money was to be raised on the bonds, and the material had to be bought and shipped, the bonds were sold only for money, and the iron bought for cash, and all this time the interest was kept down by every possible provision. "If there is any money to be made in building this road," said Huntington, "I mean that the Company shall make it." When some person tells you that the Central Pacific people were close you *will understand that they were honest.*

Nor were they satisfied to merely complete their road. They have busied themselves establishing feeders for it in California, and already own and manage almost the whole railroad system of that State. North towards Oregon, and southward, through the great San Joaquin Valley, towards Los Angeles, San Bernardino, and the Colorado River, engineers are busy laying tracks or completing surveys. The Californian and Oregon Railroad, which will be completed this year, opens the whole of the Great Sacramento Valley and the northern part of the State, and connects with the Oregon Railroad system. The Southern Pacific Railroad, with the Visalia branch, in like manner opens up the still richer San Joaquin Valley, as well as the series of smaller valleys lying west of the Coast Range, which already produce enormous crops of grain. The Western Pacific and Californian Pacific Railroads complete connections between Sacramento and San Francisco; and the Napa Valley, the Copperopolis, the Watsonville, and other branch roads gather in the products of other fertile regions, and carry them to the main line.

---

\* Compare this with our Canadians and their mode of doing business. This honesty (fool now) of purpose and faith in each other.

The Central Pacific Railroad was one of the most expensive to build in the world. Its engineers, Montague and Grey, would have been famous all over the world had they constructed a road half as difficult in Europe.

Nor will you see, unless you enquire for it, in Sacramento, an admirable institution, the Central Pacific Railroad Hospital, a fine building which stands in an open square, cost \$60,000, and is supported by a monthly contribution of fifty cents from every man engaged with the company, from the President down. One of the ablest physicians of Sacramento has charge of this Hospital, and he too was one of eight men who, in 1856, organized the Republican Party in California. In the report of the State Board of Health this Hospital is spoken of as "first in the order of salubrity and successful results in the world," and it is in every way a complete and carefully managed institution.

The Company, which, as I have told you, has still its headquarters at 54 K street, Sacramento, now employs more than all the other manufacturers in California, its pay roll in the State alone contains nearly seven thousand names. It manufactures within the State every article and material used in building and running its roads: it is spending half a million dollars per month in building new roads, and it has, still at 54 K street, Sacramento, the most complete land office in the United States, not excepting that at Washington, a place where you may select on maps, locate and pay for, any quantity of the Company's lands you wish for, and where you may obtain in a few minutes detailed and specific information concerning land in any part of California.

One incident of the building of the road will conclude what I have to say of it. In April, 1869, ten miles of the road were built in one day. This is probably the greatest feat of railroad building on record. What is most remarkable about it is that eight (8) men handled all the iron on this ten miles. These eight giants walked ten miles that day, lifted and handled one thousand tons of rail bars each.

Now possibly few of my readers can follow or comprehend the wonderful tables of probable cost and estimates, the grade, gauges, &c., talked about so profusely; sometimes, I am afraid, as little understood by the parties using them as by you or I, but any ordinary man or woman can understand *the business grade and moral standard* followed in the building of "the Central

Pacific Railroad," and can contrast the truth, honestly, and sterling principles followed by those five merchants of 54 K street, Sacramento, and compare them with the recent "Book of Revelations," published by the Canadian Royal Commission on our Pacific Railroad. I should like to know what these gentlemen would think of our new Canadian Doctrine of "mental reservation," or whether the wise and pious authors of that well-known theological work the Shorter Catechism would rank the propendus of this new moral code, amongst those who are "effectually called unto Salvation," and calling to say the least, what looks to us common folks, a very questionable action, a purely business transaction. No country, no Government can afford this, anything my friends is better than to allow such moral weeds to grow up amongst us. We are going to stand shoulder to shoulder to build up this grand country of ours, but we are going to do so by teaching our sons to be *honest men*; we are going to build our railroad, and people our wide and fertile country, and if a section of our would-be leaders screech and scream, it is because they see the power passing out of their hands, to prey on the vitals of the people by letting government contracts in the future.

The Syndicate will give a contract to men of known ability who can and will perform their work, without having to bond their whole possessions in security, leaving them crippled for means to carry it on honestly afterwards, nor will they have to wade through a host of broken political hangers on, cajoling one another, bribing till there is not a strictly honest action connected with the whole concern. The Syndicate will employ engineers who really know their business, not political nominees, whose sole qualification for the work is their parliamentary influence, and who use the power temporally placed in their hands, to harass and so far ruin contractors, who in their turn, to save themselves, must scheme, and to use their own words "cheat the government" and in many cases are after all kept for years, for some political reason, out of their just earnings. There will be nothing of all this under the Syndicate, they may not in all cases come up to the high moral standard of 54 K street, but for their own sakes there will be a very different monopoly from that we at present enjoy.

In conclusion I may tell my readers I am neither a politician, nor expectant member of parliament, only a Canadian believing

in my country. Having a young family I am trying to bring up as honest men and good citizens, and who one day may be called on to take their part in building up this great nation, and regretting, as every honest man must do, at the very partizan and unpatriotic spirit displayed on this great question by those who must and do know better, and who for the most temporary and selfish interest, would sacrifice the whole country for generations to come. The country had one edition of this work and gave it a reading and a trial with very barren results; we do not want another, and I am willing to add a stone however small in building up an edifice that will do more in a few years, to make Canada a great and prosperous country, than anything that has ever yet been done. Without this railroad confederation was only half complete, I hope the honorable gentlemen who have brought this scheme, to perfect their former work, will live to cross the continent on our long talked of Pacific Railroad. We all hope one day to "look down on it," but we will be content for the present to look on it, and run over it, and in our own day see and enjoy the wonderful land God has given us, and point with pride to the men who were able to make such, and in giving us this a truly commercial road, will build up our beloved country and make it as it deserves to be, second to none on the continent. This is what Canadians really want, and wish for. It is immaterial to the great body of the people who makes the road, so long as it is made, and if the Syndicate can by their good management make it a good thing for themselves, so much the better for all Canada. So long as the world lasts as at present constituted, it is the few will be rich and the many who will be poor, and for all the prate about the people in their grand political speeches, left in the hands of the Government, the people's money would be wasted, commercial morality undermined and common honesty thrown to the wind. We would soon become a by-word amongst nations, twice the amount promised to the Syndicate would be spent and no road made, a few political partizans might be enriched, but the people would remain poorer than ever.

Our agitators need not distress themselves about this or that branch. So soon as that becomes a commercial necessity the branch will be built. Nor need they talk so loud about the freight of grain when they have not yet got the farmer to sow or reap. Another set clamour that the Syndicate will build a

cheap road waste the money and *lock up the land*, it would pay the company well to run a road through a country there were no people in. Another set tell us they are going to introduce landlordism into Canada. Possibly these gentlemen want new game, now the buffalo are dying out. No fear of this, my friends; let Mr. Brassey, or any other British capitalist, buy our land, so long as they pay for it. They will be the cheapest and best immigration agents Canada ever saw, and they will bring out what we want, men with capital and experience, who will give a new impetus to agriculture in this country.

Landlords, as the term is understood in Great Britain, are like heather, they would not thrive on Canadian soil.

I have made these few, homely remarks on the all-absorbing topic of the hour, from a moral as well as patriotic point of view, and to try and shew my young friends what a Syndicate is like in the little story embodied in this, as well as the indirect good a successful company can do to a country. If I have served to illustrate this, or counteract in the smallest degree, the many fallacious statements, sneers and cartoons put forth against it, the writer will be amply rewarded.\*

I cannot close without adding one word in praise of the illustrious statesman who is presently the head of Her Majesty's Government in Canada. I cannot help feeling proud of the man who first gave Canada confederation, and now has the patriotism to give us the railroad, and because he knows they are men who can and will make the road, he has given it to those who are well known as not of his party. It would be long before those who so loudly decry the scheme would have done in like manner, and in future years when he will have passed from amongst us, we will be proud to tell our children, no matter what his faults may have been, (and premiers are not angels,) we can point to all he did for Canada, and not for himself, and tell them that amidst all the political corruption of the age in which he lived, not his most bitter enemy could say he ever spent a dollar for himself at the expense of the country. The welfare of Canada was his first and last thought, and if ever he had to descend to do things he personally recoiled from, it was the corruption and unscrupulousness of those he had to deal with, which was the cause. If, as I

---

\* Our hitherto independent friend *Grip*, seems of late to have gone over to the enemy. Has the Hon. Mr. Laurier got at the Raven with some of his "Human devices."

said in the beginning it is hard sometimes to be a Government, it is doubly hard to be a Prime Minister.

The question of the hour is not simply Syndicate or no Syndicate, it means Country or no Country, in so far as it means are we to remain a set of semi-detached Provinces notwithstanding Confederation, or are we to become a mighty Kingdom, bound together by an iron band of communication, a Country teeming with inhabitants, not a prairie desert for our legislators to extol, and year after year and make meaningless speeches about. The country is sick of this, sick of partizan politics carried to such an extent as would sink the country's good for a generation to come if they could blacken or kill Sir John Macdonald. They remind me of a section of Scotch Liberals in, I think, 1867, when Earl Beaconsfield, then Mr. Disraeli, carried the Reform Bill; although it was virtually their own measure, they would rather want it than accept it at the hands of the Conservative party. So now with the Opposition; the most damaging point in the Syndicate bargain is that it has been proposed, perfected and will be carried through by Sir John Macdonald and his Government.

When the people of Canada, led astray by the former, and for the time too successful agitation of the Liberal Party, supported by all that was anti-Canadian in the United States, were induced to give these men a trial, what was the result? Millions of money wasted, time lost, and neither road nor emigrants, unless we accept those of the latter who were attracted to Kansas by the anti-patriotic speeches of some of our would-be Canadian Statesmen.

The Opposition and indeed some of the Government supporters talk of modifying the bargain. Now, my friends, it does not do to tinker a pot, it might become leaky and in the end turn out like the saucepan the late Hon. George Brown presented to Miss Canada in the shape of a reciprocity treaty. When his friends were in power it was so punctured by repairs Miss Canada had to tell him it would not hold water.\* No, no, we are going to accept the Syndicate bargain as it stands for the present, and if modifications are wanted they can come afterwards, when it may appear that Canada has got the best of the bargain. You have all heard the story of driving a coach and six through an Act of

---

\* See cartoon of Canadian Illustrated of this date.

Parliament. There is no fear that if after a fair trial, things do not suit means will be found to remedy them.

One of the things made much of is the loss of duty on steel rails, &c. Well, we can suppose, as Sir John Macdonald put it, had the Syndicate been compelled to pay duty, they would have required so much more money. Again, were the road built by the Government, as the Opposition clamor for, and not by a Syndicate or Company, where would the duty be? But, my friends, there is another way to put this question, but it is a secret known only to the initiated,—all the amount in question would not pay the blunder of *one* political Engineer, and you might count them by the dozen,—would not pay the subsidy of one set of political contract brokers on a single contract; and on how many contracts would we, the people, have to be bled by these vampires before we reached the Rocky Mountains?

No use to blame a Minister or Chief Engineer. Their hands were tied, and so far their tongues; they were compelled to appoint these men, I mean the Engineers, to work and positions they were perfectly incompetent to fill. The country's money was wasted and they were held responsible. Again, have we not reason to fear contracts were adjudged not to the proper men or those intitled to them, but to some political supporter. Those contracts, in some cases before all was done,—in most instances for political reasons—cost the country double the original contract price. Some room here to pay duty on steel rails to an honest company, or rather to relieve them of it. This is a question, or phase in it rather, none of our political friends care to touch upon, yet it concerns the people, and is a potent argument in favor of the Syndicate. As matters stand, no Government could be held responsible for such; in a manner it is the political immorality of the people, that is to blame; for the moment a Minister possesses the fatal power to be in a position to reward his supporters, he is compelled to do so or out he goes. As we cannot hope to educate the present generation up to the mark of even semi-political honesty, Sir John Macdonald and his Government are going to do the next best thing; they are going to remove the temptation, so as those gentlemen may with a clear conscience repeat the latter part of "the Lord's prayer," and in saying "lead us not into temptation," may with sincerity add "deliver us from evil doing."

It would be waste of time and lowering to the respect we owe to ourselves, to notice the mean personal, scurrility indulged in by the opponents of the Government; some of the latest additions to Syndicate literature is a proof of this; it only shows the poorness of their cause, and the smallness of the intellect of those personally employed by our American Cousins to prevent our Canadian road being built, when they can find agents willing to descend to such arguments. My friends that game is played on: we know more than we did in 1872. The people want the country served, no matter by whom; the railroad built and the prairie peopled, and they are going to have it. Worse than this is the taste of dragging the name of the noblemen, who so ably represents Her Most Gracious Majesty in Canada, into this now partizan quarrel. No, my friends, we must tell these gentlemen, the boots of Mr. Letellier de St. Just would in no way become the feet of the son of McCallum Mohr and more than that, allow me to whisper in their ear, His Excellency was born "north of the Tweed." You must fight out this question yourselves; and in the meantime abide by the verdict of your representatives; a few years hence you will have it in your own power to get the voice of the country, and if by that time the Syndicate are as we have every reason to suppose they are, honorable men, who will perform duly their share of the contract, we have no reason to fear the verdict of the people.